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संयुक्त सचिव (प्रसारण)
SANJIV SHANKAR, IRS
Joint Secretary (Broadcasting)



भारत सरकार
सूचना एवं प्रसारण मंत्रालय
शास्त्री भवन, नई दिल्ली - 110115
GOVERNMENT OF INDIA
MINISTRY OF
INFORMATION & BROADCASTING
SHASTRI BHAWAN, NEW DELHI - 110115

D.O. N-38032/43/2021-FM/13

Date: 13 January, 2022

Dear Shri Raghunandan,

Please refer to TRAI recommendations on reserve price for auction of FM radio channels in 283 cities issued on 10th April 2020 and the subsequent clarifications on certain issues of the recommendations vide D.O. No. 23-3/2014 -B&CS dated 23rd July 2020. In the recommendations TRAI has followed a dynamic approach in determining the reserve price and has used Gross State Domestic Product (GSDP) data, Gross Revenue (GR) of FM Radio broadcasters for 2017-18 and the IRS radio listenership data weighed by population of each state for Q3 of 2019 for valuation of FM radio channels.

2. As you may be aware, the COVID-19 pandemic struck in the country in early 2020 as a result of which different phases of lockdown were imposed in the country from 25.03.2020 till 31.05.2020. Thereafter, unlock period was started from 01.06.2020 onwards with economy gradually moving towards normalization. This was followed by Unlock 2.0 w.e.f 01.07.2020 during which all social, political, entertainment, cultural, religious, academic activities remained prohibited. Subsequently, even these restrictions were eased. In the April-June 2021 period, the country witnessed a second covid-wave and now some parts of the country are witnessing a third COVID wave due to 'Omicron', a COVID-19 variant, which WHO has declared to be a variant of concern.

3. The Association of Radio Operators for India (AROI) has informed that the performance of FM radio business has been impacted due to the COVID-19 pandemic. Steps taken by Government and supported by various policy measures have provided the required impetus to the economy for coming out of the pandemic induced stress. However, possible future disruptions that may occur due to the COVID-19 pandemic pose a risk to the improving trend of solvency. The Ministry is of the view that FM radio permission periods being a 15-year license, in order to have a robust formulation on Reserve Prices for ensuing auctions in 284 cities, following points may require a relook:

- a) Is there a need to check conformity with current trends in data on GSDP, GR, FM radio listenership values in view of the altered scenario due to COVID-19 pandemic?
- b) Whether the RP recommended by Authority in early 2020 truly reflect the expectation of stakeholders as on date?

- c) How COVID-19 impact on radio industry is likely to show in the bidding during the ensuing Batch-III of FM Ph-III e-auction?
- d) According to TRAI, what would be an opportune time for conducting the auctions?

Further in paragraph 2.8 of the recommendations, the Authority inter-alia mentions that *"While the current exercise for fixing of RPs for FM radio channels in new cities is based on the information available with the Authority, the impact of future events is expected to be factored in the bid prices by bidders during the e -ascending auction process."*

3. With regard to Rec. no. 5 that 'Auction of remaining channels of Phase-III should be done by delinking them from technology', it is informed that after conducting field trials/experiments of ITU recommended Digital Radio Standards in VHF Band II & III, Prasar Bharati has suggested to conduct a pilot project consisting of both the Digital Radio technologies i.e, DRM and HD Radio to further evaluate these technologies and to also ascertain their acceptance by broadcasters and listeners including availability and speed of development of affordable receivers. In view of more experimental studies to be undertaken in the Indian context, Rec. No. 5 may not be acceptable at present. The FM Ph-III radio policy having being formulated for only analogue radio, the formulation of Digital Radio Broadcasting policy may be addressed separately.

4. In the light of the above, the Authority may kindly furnish their further recommendations on the above in accordance with the provisions of section 11(1) of the TRAI Act, 1997 so as to enable us to seek the approval of the Cabinet in the matter. This reference has the approval of the Competent Authority.

With Best Regards,

Yours sincerely,


(Sanjiv Shankar)

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